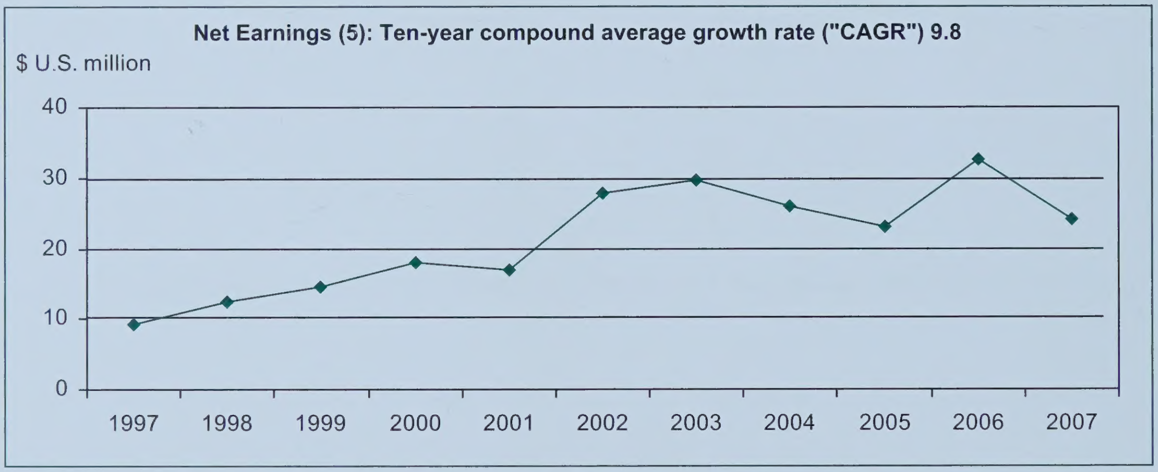
WINPAK

ANNUAL
REPORT
2007

(Values expressed in U.S. dollars)

	2007	2006	2005	2004	2003
Operating results ($ million except e.p.s.)					
Sales	**466.6**	447.1	436.7	393.1	361.0
Earnings from operations (EBIT)	**34.0**	48.8	35.3	44.0	50.1
EBITDA (1)	**58.1**	69.6	55.0	63.0	67.6
Net earnings	**24.0**	32.6	23.1	26.0	29.7
Net earnings per share (cents) (2)	**37**	50	36	40	46
Investments and assets ($ million)					
Investments in property, plant and equipment	**36.0**	38.9	24.3	44.8	27.5
Sale of assets	**-**	(8.6)	(8.9)	-	-
Total assets	**441.6**	387.4	370.4	367.6	307.8
Financial position					
Total debt to equity (3)	**8.4%**	6.9%	13.9%	21.3%	27.6%
Net return on opening equity	**8.8%**	13.3%	10.4%	13.8%	20.6%
Return on opening invested capital (4)	**10.0%**	14.8%	11.1%	15.6%	21.7%



(1) EBITDA (earnings before interest, tax, depreciation and amortization) is not a recognized measure under Canadian GAAP. Management believes that in addition to net earnings, EBITDA is a useful supplemental measure as it provides investors with an indication of cash available for distribution prior to debt service, capital expenditures and income taxes. Investors should be cautioned, however, that EBITDA should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Company's performance. The Company's method of calculating EBITDA may differ from other companies, and, accordingly, EBITDA may not be comparable to measures used by other companies.

(2) Amounts have been retroactively restated to reflect the impact of a ten-for-one share split, effective May 9, 2005.

(3) Total debt is defined as long-term debt plus bank indebtedness less cash.

(4) Return on opening invested capital is defined as EBIT divided by invested capital, which is defined as the sum of total debt, minority interest, net future income tax liability, shareholders' equity, accumulated goodwill amortization, less long-term income tax receivable.

(5) Net earnings in 2001 and prior years have been restated for goodwill to conform to the current year's presentation.

REPORT TO SHAREHOLDERS

Winpak made great strides in 2007. The Company constructed a new facility in Illinois, expanded its Georgia plant, started up five new major production lines throughout the group and successfully established itself in three completely new product markets. This ongoing commitment to growth was realized through capital expenditures of $36.0 million in the year 2007. In pursuing these exciting initiatives, the Company remained true to its management's entrepreneurial method of operating. Winpak's proven track record firmly endorses this approach. Furthermore, the technological seeds that have been planted in recent years will provide the desired future revenue and profit growth for Winpak's shareholders.

Sales of $466.6 million in 2007 increased year-over-year by 4.4 percent. This was less than anticipated due in part to the delay in commercializing certain new products, coupled with the unexpected loss of some major pieces of business at both the lidding and biaxially oriented nylon operations. More positive is the fact that sales of modified atmosphere packaging, rigid and specialty films as well as machinery products, all recorded 2007 sales amounts greater than the prior year.

As in the case of sales, profit margins also fell short of expectations in 2007, primarily due to the constant decline of the US dollar and the relentless escalation of raw material prices in certain market segments. Unfortunately, manufacturing variances affiliated with the startup of the new facility and production lines contributed further to the Company's lower than anticipated 2007 net earnings of $24.0 million or 37 cents per share. After recasting the 2006 figures to remove the one-time gain for the sale of the Ontario property, the comparative amount for the previous year was $28.2 million or 43 cents per share.

The teething problems associated with the plant expansions, new equipment installations and new product launches that beset productivity at some of the business units throughout 2007 are, for the most part, events of the past. Optimism prevails and the prospects for 2008 are most encouraging. The venture at the specialty films business unit to manufacture and sell shrink bags under licence from Asahi Kasei Life & Living Corporation of Japan is proving to be a very enterprising undertaking. Commercial production commenced late in the third quarter of 2007 and sales have already exceeded expectation. In support of this endeavor, the long-term capital plan incorporates the necessary mechanisms for continued growth.

In the second quarter of 2007, the lidding business unit closed down its former Illinois plant and moved into a new 75,000 square foot facility in the same geographic region. It also started up another coextrusion coating line at the Quebec plant. These activities allowed Winpak to further entrench itself in the food industry and to newly position the Company in the pharmaceutical and health care fields. In the latter scenario, the product qualification period proved to be more lengthy than foreseen and, hence, there has been a delay in generating sales in this market.

Winpak's high-barrier flexible materials, used in the modified atmosphere packaging industry for perishable food products, continue to be vigorously sought after in the marketplace. To satisfy this requirement, another multilayer coextrusion line was installed at the Winnipeg location and commercial production began in the second quarter of 2007.

After successfully exiting certain less profitable product lines, the Company's rigid business continues to gain momentum in the custom thermoforming marketplace. Two major projects came to fruition in the final quarter of 2007, one of which ranks as the largest dollar contract ever recorded in Winpak history. In order for the organization to respond to this heightened demand, additional capacity will be coming on stream in 2008.

Looking forward, it is anticipated that Winpak will continue to be challenged by both the unpredictable US dollar and petrochemical-based raw material prices. The Company will work diligently at passing on these extra costs to its customers while, at the same time, striving to enhance efficiencies. The additional expenses accompanying the startup of the new facility, plant expansions and new production lines belong to the year 2007. With these hurdles overcome and the exciting sales prospects currently in place, the year 2008 promises to be one of growth in revenue and profitability.

B.J. Berry
President and Chief Executive Officer
Winnipeg, Canada
February 19, 2008

Certain statements made in the following Management's Discussion and Analysis contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of the Company. Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent our current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Unless otherwise required by applicable securities law, we disclaim any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

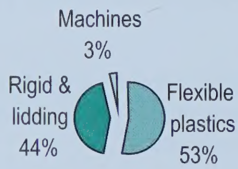
General Information

The following discussion and analysis dated February 19, 2008 was prepared by management and should be read in conjunction with the consolidated financial statements prepared in accordance with Canadian GAAP. The following discussion and analysis is presented in U.S. dollars except where noted otherwise. The consolidated financial statements include the accounts of all subsidiaries. All subsidiaries in the United States and American Biaxis Inc. operate with the U.S. dollar as the functional currency, while the Company and all its Canadian subsidiaries, excluding American Biaxis Inc., operate with the Canadian dollar as the functional currency. The Company has filed a separate Management's Discussion and Analysis for its fourth quarter of 2007, dated February 19, 2008, which is available on SEDAR at www.sedar.com.

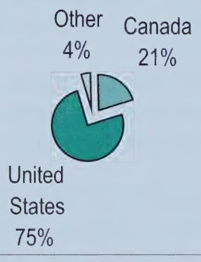
Company Overview

Winpak is an integrated converter operating in the packaging materials segment. The Company sources manufacturing technology focused on the core competency of sophisticated extrusion and conversion of plastic and aluminum foil materials. The business encompasses three product groups produced in nine manufacturing facilities located in North America. Winpak distributes products to customers primarily in North America for use in the protection of perishable foods, beverages and in health care applications.

Sales by product group



Sales by geographic area



Selected Financial Information

Millions of U.S. dollars, except per share and margin amounts

	2007	2006	2005
Net earnings	**24.0**	32.6	23.1
Earnings from operations	**34.0**	48.8	35.3
Sales	**466.6**	447.1	436.7
Gross profit margin	**23.6%**	26.1%	26.1%
Net earnings per share (cents)	**37**	50	36
Dividends declared per common share (Canadian cents)	**10.5**	6	6
Total assets	**441.6**	387.4	370.4
Total debt (Long-term debt plus bank indebtedness less cash)	**27.0**	19.0	34.1

Overall Performance

- *Sales* improved by 4.4 percent or $19.5 million to $466.6 million in 2007. The vast majority of the increase was volume-related and more than two-thirds of the volume improvement occurred in the fourth quarter.

- *Net earnings* fell by 26.4 percent to 37 cents per share in 2007 compared to 50 cents per share reported in the prior year. Included in the 2007 results are non-recurring gains of 4.5 cents to recognize the enactment of lower future Canadian income tax rates. The 2006 results included non-recurring gains of 9 cents. The remaining 8.5 cents per share deficit between 2007 and 2006 is related to ongoing operations.

- *Net earnings from ongoing operations* included a 7.5 cents per share reduction in gross profit margins realized as a result of a combination of competitive pricing pressures and higher manufacturing costs, including start-up costs related to recently completed capital projects. Net foreign exchange losses resulted in a further decrease of 2.5 cents per share due to the 2007 strengthening of the Canadian dollar. Meanwhile, organic growth partially offset these declines by 1.5 cents per share.

Highlights

- *Foreign exchange and raw materials:* For the fifth consecutive year, changes in the exchange rate between the U.S. and Canadian currencies and changes in raw material prices unfavorably influenced the Company's net earnings. The 2007 average exchange rate of the Canadian dollar appreciated by 4.5 percent against the U.S. dollar and lowered net earnings by 2.5 cents. The average cost of raw materials for products sold increased only marginally from 2006, in part due to mix, and did not have a measurable impact on overall net earnings, as the increases were mitigated by corresponding changes in selling prices.

- *Manufacturing performance:* Overall, manufacturing performance during 2007 was disappointing. With certain resources diverted to ensuring successful project start-ups, ongoing manufacturing performance fell short of expectations. Now that the majority of related product development activities are completed, going forward, a refocused effort will be devoted to reducing manufacturing variances in 2008.

- *Capital expansions:* In 2007, the Company completed the major capital expansion projects announced in the prior year designed to strengthen the Company's position in food lidding, broaden the health care product offering, add capacity for high barrier modified atmosphere packaging films and introduce a new product, barrier shrink bags. The start-up of these projects during the year had a significant negative impact on the reported results, as initial one-time expenditures were not offset at the same rate by incremental revenues. Instead, sales related to these projects will phase in over time, as new markets and customers are developed while the start-up costs will be significantly curtailed in the coming year, as new operating methods and technologies are refined. In 2007, the increased product development costs, manufacturing variances, depreciation and personnel added to service the new product markets reduced net earnings by approximately $4 million or 6.0 cents per share.

- *Financing and investing:* During 2007, Winpak generated $35.9 million in cash flow from operations, which was virtually identical to the net amount invested in property, plant and equipment for the year. The Company also disbursed $5.5 million in dividends and a foreign exchange translation adjustment on cash of $2.4 million resulted in a net decrease in cash during the year of $8.0 million. During 2008, Winpak expects to further reduce the remaining $22.0 million in long-term debt as well as eliminate short-term bank indebtedness.

- *Financial condition:* Winpak remains in a strong financial position with adequate financial resources to meet foreseeable obligations.

Results of Operations

Components of total (decrease) increase in net earnings per share

	2007	2006	2005
Non-recurring gains: lower future income tax rates and property sale	**(4.5)**	9.0	-
Ongoing operations:			
Organic growth	**1.5**	-	3.5
Gross profit margins	**(7.5)**	1.5	(9.5)
Cost reductions - net	**-**	5.0	4.0
Foreign exchange	**(2.5)**	(1.5)	(2.0)
Total (decrease) increase in net earnings per share (cents)	**(13.0)**	14.0	(4.0)

Ongoing operations:

Organic growth is the impact on net earnings from increased sales, whether the increase arises from volume or price, and excludes the influence of acquisitions, divestitures and foreign exchange. Organic growth in 2007 provided 1.5 cents in net earnings per share.

Change in gross profit margins reflects higher raw material and manufacturing costs, including the significant effect of start-up related expenditures of over $3 million on margins or approximately 5 cents per share.

Net cost reductions had no appreciable impact on earnings as various items offset.

Canada is Winpak's second largest market and the location of the majority of its production volume. Cash disbursements in Canadian dollars are largely offset by receipts in Canadian dollars leaving the remaining disbursements exposed to fluctuations in the Canadian / U.S. exchange rate. On average, in 2007, the Canadian dollar strengthened against the U.S. currency by 4.5 percent, which reduced net earnings by 2.5 cents per share.

Sales ($ millions)

	2007	2006	2005
Volume increase (decrease)	**18.1**	(2.3)	20.5
Decrease due to divestiture	**-**	(14.2)	(4.6)
Price and mix (losses) gains	**(3.0)**	20.5	21.0
Foreign exchange gain	**4.4**	6.4	6.7
Total increase in sales	**19.5**	10.4	43.6

Sales in 2007 increased by $19.5 million. After slipping in 2006, volume shipped in 2007 grew revenues by $18.1 million or 4.0 percent. Most product groups contributed to core volume growth in 2007 with the exception of lidding products and biaxially orientated nylon film. Shipments of packaging machines, specialty films, modified atmosphere packaging ("MAP") and rigid containers each grew within a range of 7 to 10 percent. The increase in machine sales in 2007 occurred as a result of an increase in machine refurbishments in the fourth quarter. After a decrease in volume in 2006, sales of specialty films rebounded in 2007 albeit at very competitive prices. MAP product volumes continued to strengthen from the healthy growth rate in 2006 with new footholds established at certain major US meat processors. Rigid containers experienced a strong growth rate with increased sales in condiment and beverage containers offset partially by lower drink cup and creamer sales. On the other hand, both lidding products and biaxially orientated nylon film experienced setbacks in volume after steady growth in 2006. Sales were lost in these areas due to aggressive competitor pricing and alternate products offered by other suppliers. Sales of products in 2007 that were generated as a result of the recently completed capital expansions added approximately $4.7 million to sales. It is expected that for 2008, these same capital projects could generate additional sales of between $30 and $40 million.

Price and mix changes resulted in a reduction of 0.7 percent in average selling prices. Certain competitive situations resulted in price decreases in specialty and biaxially orientated nylon films as well as certain MAP products. Mix changes also negatively impacted sales, particularly for MAP products.

The strengthening of the Canadian dollar versus the US dollar increased sales by $4.4 million or approximately 1.0 percent.

Gross profit margins
The 2007 gross profit margin of 23.6 percent was 2.5 percentage points lower than the 26.1 percent margin in 2006. Excluding the 1.0 percentage point unfavourable impact of the strengthened Canadian dollar on the gross profit margin, the balance of 1.5 percentage points represents a reduction in net earnings of 7.5 cents per share in 2007.

Winpak competes in a diverse range of markets for packaging products. In common with market protocol, the Company's preferred practice is to match raw material cost changes with selling price adjustments. However, this is not always possible as customers react to pricing pressures related to raw material cost fluctuations according to conditions pertaining to their markets. In 2007, however, the Company was reasonably successful in matching raw material cost changes with selling price adjustments, with some minor exceptions, resulting in little impact on net earnings per share. In comparing the raw material index for 2007 to 2006, on average, Winpak's basket of eight principal raw materials increased by 3.4 percent. However, if the fourth quarter of 2007 is compared to the fourth quarter of 2006 and the third quarter of 2007, the increase is 8.7 percent and 2.2 percent respectively, suggesting that the trend of raw material costs going into the first quarter of 2008 continues to be upward. The Company has experienced five successive years of raw material cost escalations, with costs increasing by nearly 65 percent in total over the five-year period.

Raw materials Index

	2007	2006	2005
Index: weighted cost of a basket of Winpak's eight principal raw materials, where base year 2001 = 100	**154.8**	149.7	142.8
Increase in Index compared to prior year	**3.4%**	4.8%	21.1%

Other than raw materials, influences on gross profit margins include the costs of manufacturing labour and overheads. A number of Winpak's plants experienced manufacturing difficulties in 2007, largely influenced by the start-up of new lines and facilities. The manufacturing variances related to the start-ups negatively impacted the gross profit margin, reducing net earnings by $1.7 million or 2.5 cents per share. These difficulties are expected to subside in 2008 as operating techniques and knowledge are further refined. In addition, higher fixed manufacturing costs, primarily associated with depreciation and personnel costs related to the major capital expansion projects negatively impacted gross margins, reducing net earnings by approximately $3.4 million or 5.0 cents per share. There is a lag between the occurrence of these fixed costs and the corresponding sales related to these capital expansion projects as the ramp-up phases can be lengthy due to complex technical issues and customer testing protocols.

Cost reductions – net
Cost reductions on a net basis in 2007 had no appreciable impact on net earnings. Higher freight costs as a result of fuel surcharges, higher preproduction costs resulting from the start-up of the capital expansion projects and higher selling costs due to product managers hired to enter the new markets associated with the capital expansion projects had a drain on net earnings of approximately 1.0 cent per share.

The effective rate of income tax of 25.2 percent was 4.4 percentage points lower than the rate sustained in 2006. However, when the non-recurring items of the enactment of lower future rates of income tax in both 2007 and 2006 and the lower tax rate incurred on the sale in 2006 of the Laird Drive property are excluded, the difference in tax rates is narrowed to 0.7 percentage points or a contribution of approximately 0.5 cents per share in net earnings.

Decreased net earnings of a majority owned subsidiary drove the attribution of earnings applicable to the minority shareholder lower, resulting in an increase of 0.5 cents in net earnings per share. Research and technical expenses of 2.1 percent of sales is consistent with the level of spending in 2006.

Foreign Exchange

	2007	2006	2005
Year-end exchange rate of Cdn dollar to U.S. dollar	**0.980**	1.170	1.160
Year-end exchange rate of U.S. dollar to Cdn dollar	**1.020**	0.855	0.862
Change in Cdn dollar vs. U.S. dollar year-end exchange rate compared to the prior year	**16.2%**	(0.9%)	3.3%
Average exchange rate of Cdn dollar to U.S. dollar	**1.082**	1.133	1.214
Average exchange rate of U.S. dollar to Cdn dollar	**0.924**	0.883	0.824
Appreciation of Cdn dollar vs. U.S. dollar average exchange rate compared to the prior year	**4.5%**	6.7%	6.9%

Most of the Company's business is conducted in the United States dollar and Winpak utilizes the U.S. currency as the reporting currency. However, approximately 21 percent of sales are denominated in Canadian dollars and approximately 30 percent of costs are incurred in the same currency, resulting in a net outflow of costs in Canadian dollars. Consequently, Winpak records foreign currency differences on transactions and translations.

The net outflow of Canadian dollars exposes Winpak to transaction differences arising from exchange rate fluctuations. The appreciation of the average exchange rate of the Canadian dollar to the U.S. dollar in 2007, 2006 and 2005 reduced net earnings by 1.0 cent, 1.5 cents and 1.0 cent per share, respectively, compared to the prior year in each case. In addition, Winpak's Canadian companies purchase raw materials in U.S. dollars. The change in exchange rate between the date of purchase of raw materials and eventual sale of the completed inventories generates further transaction exchange differences. Winpak estimates that these transaction differences decreased net earnings in 2007 by 3.5 cents per share, had no impact in 2006 and increased net earnings in 2005 by 0.5 cents per share.

Translation differences arise when foreign currency monetary assets and liabilities are translated at exchange rates that change over time. The change in spot conversion rate of the Canadian dollar from year to year and against the historical average conversion rate of retained earnings of the Canadian subsidiaries increased net earnings in 2007 by 2.0 cents per share, had no perceptible impact in 2006 and reduced net earnings in 2005 by 1.5 cents per share.

The Company has analyzed the effect on earnings of the significant appreciation of the Canadian dollar against the US dollar over time. Since 2002, the Canadian currency has risen from an average level of 63.6 US cents to approximate parity at the end of 2007. Should the two currencies remain at parity through the end of 2008, at today's business level, annual net earnings would be nearly 10 cents per share less than would be the case if those earnings were translated at rates of exchange in effect in 2002. This includes 1 cent per share in 2007 and just over 2 cents in 2008, with the Canadian dollar at an average of 92.4 US cents in 2007 and parity in 2008.

Summary of Quarterly Results

Thousands of U.S. dollars, except per share amounts (cents)

	2007				2006		
Quarter ended	Sales	Net earnings	e.p.s.	Quarter ended	Sales	Net earnings	e.p.s.
April 1	108,760	7,504	12	April 2	113,069	6,445	10
July 1	114,479	5,224	8	July 2	109,325	11,711	18
September 30	116,745	5,073	7	October 1	111,638	7,841	12
December 30	126,638	6,157	10	December 31	113,088	6,579	10
	466,622	23,958	37		447,120	32,576	50

Various factors affect timing of the Company's earnings during the course of a year. Seasonal factors typically contribute to stronger sales and net earnings in the second and fourth quarters compared to the first and third quarters. Factors influencing seasonal trends are the higher demand for certain food products in advance of the summer season and the greater number of holidays in the fourth quarter. During the third quarter, sales and earnings are typically lower due to reduced order levels and plant maintenance shutdowns scheduled to coincide with the summer. Sudden and substantial changes in the rate of exchange between the U.S. and Canadian dollars from one quarter to another may cause sales and net earnings to vary from the historic trend. Similarly, sudden and significant changes in the cost of raw materials consumed from one quarter to another can be expected to increase or decrease net earnings in a manner that does not conform to the normal pattern. Furthermore, unexpected adverse weather conditions could influence the supply and price of raw materials or customer order levels.

The following specific events influenced the timing of the Company's reported results beyond normal historic trends. The first quarter of 2007 benefited from the combined effects of a temporary dip in raw material costs, lower foreign exchange losses due to the stronger US dollar versus the Canadian dollar in relation to the balance of the year, and the absence of significant start-up costs related to the major capital expansion projects as these projects were still in the fabrication stage. Reductions in future income tax rates boosted fourth quarter net earnings by 4.0 cents per share. However, these gains were offset by significant start-up costs in the quarter, which decreased earnings per share by approximately 1.5 cents. The second quarter of 2006 included a one-time gain of 6.5 cents per share for the sale of property in Toronto, while the third quarter of 2006 included a non-recurring gain of 2.5 cents per share related to reductions in future income tax rates. Sales in 2007, for the most part, followed the normal seasonal pattern of the business with the exception of the third quarter which was slightly higher than sales in the second quarter. However, when the effect of the higher Canadian dollar in the third quarter is normalized, the difference between the two quarters is less than 1 percent.

Cash Flow, Liquidity and Capital Resources

At the close of the year, Winpak's short-term bank indebtedness amounted to $5.0 million, or a decrease in cash position of $8.0 million from the prior year-end. This position reflected 2007 disbursements for investing and financing activities of $41.5 million and a foreign exchange adjustment on cash of $2.4 million less total funds provided by operations of $35.9 million.

Operating activities

Cash flow provided by operating activities, totaled $35.9 million, $12.7 million less than in 2006. However, cash flow of $51.5 million from operating activities before change in working capital and payments to defined benefit plans was $1.0 million greater than in the prior year. Although net earnings in 2007 were $8.6 million lower, 2006 included certain non-cash items of a gain on sales of assets of $5.6 million and lower depreciation of $3.5 million. Payments were made to defined benefit plans during the year of $7.2 million, $2.6 million greater than in 2006, in an effort to address a significant portion of the underfunded benefit obligations of several of these plans. Working capital declined by $8.4 million during the year compared to a net improvement of $2.7 million in the prior year. Accounts payable and accrued liabilities experienced a substantial decline of $7.2 million as payments for certain plant and equipment purchases from the fourth quarter of 2006 were made in 2007. Income taxes receivable increased by $4.3 million due primarily to income tax installments exceeding the current year liability. The investment in accounts receivable actually declined by $0.5 million despite a sharp increase of 11.9 percent in sales volumes in the fourth quarter of 2007 versus the corresponding period in 2006. Inventories also showed a marked improvement over the prior year, posting a decline of $2.4 million.

Investing activities

Investments amounted to $36.0 million, which consisted almost entirely of purchases of property, plant and equipment net of a minor disposal. Nearly half of the expenditures were related to the completion of the three major expansion projects announced on February 15, 2006. Further disbursements were made for other new equipment and ongoing enhancements, efficiency improvements, safety, and protection or extension of the life of equipment. In addition, a number of packaging machines were built and placed with customers as part of systems that combine packaging materials. Over the long term, Winpak's expenditures for equipment enhancements have averaged approximately 2 percent of sales. In the prior year, the premises located at Laird Drive, Toronto were sold for proceeds of $8.6 million.

Financing activities

Financing activities totaled $5.5 million, relating to quarterly dividends that were paid at the rate of 1.5 Canadian cents per share for the first two quarters of 2007 and at the rate of 3.0 Canadian cents per share for the last two quarters of the year, pursuant to an announcement on April 24, 2007 doubling the dividend rate. Based on the December 30, 2007 closing share price of CA$7.25 and the current dividend rate, the dividend yield on a Winpak share would be 1.7 percent. Also during 2007, a restructuring of the Company's finances occurred, whereby the $17 million in long-term debt was retired and a new loan was entered into under the same terms and conditions.

Resources

Investments to drive growth can be significant, requiring substantial financial resources. A range of funding alternatives is available including cash flow provided by operations, additional debt, the issuance of equity or a combination thereof. Under the terms of bank credit facilities currently in place, $17 million of long-term debt is revolving, although the Company retains the right to repay, without penalty, amounts of revolving term-debt as deemed appropriate. The remaining $5 million of long-term debt of a subsidiary is a reducing term facility with a maturity date of July 31, 2009. The Company has determined that current credit facilities of $83 million, including unsecured term-debt lines of $35 million and operating lines of $48 million, are adequate. Of the total facilities, $45.2 million was unused as at December 30, 2007. The Company believes additional credit can be arranged from banks and other major lending institutions as the need arises. The Company has remained well within all debt covenants and foresees no change in its ability to meet covenants in 2008. The Company believes that all 2008 requirements for capital expenditures, working capital and debt repayments can be financed from cash provided by operating activities and unused credit facilities.

At December 30, 2007, total debt is $27 million, or 8.4 percent of shareholders' equity. Total debt represents $22 million in long-term debt and $5 million in bank indebtedness. Unless unexpected circumstances occur in 2008, with a planned curtailment in capital spending, Winpak expects to repay a substantial portion of the long-term debt outstanding. The moderate level of outstanding debt and an informal investment grade credit rating allow the Company to enjoy relatively low interest rates on debt incurred.

Risks and Financial Instruments

The Company recognizes that net earnings are exposed to changes in market interest rates, foreign exchange rates and prices of raw materials. These market conditions are regularly monitored and actions are taken, when appropriate, according to Winpak's policies established for the purpose. Despite the methods employed to manage these risks, future fluctuations in interest rates, exchange rates and raw material costs can be expected to impact net earnings.

The Company may enter into derivative contracts or fixed-rate debt to minimize the risk associated with interest rate fluctuations. In addition, Winpak may employ hedging programs to minimize foreign exchange risks associated with changes in the value of the Canadian dollar relative to the U.S. dollar. To the extent possible, the Company maximizes natural currency hedging by matching inflows from sales in either currency with outflows of costs and expenses denominated in the same currency. A portion of the remaining exposure to fluctuations in exchange rates may be mitigated with forward and option contracts.

Winpak's policy regarding interest expense is to fix interest rates on between one- and two-thirds of long-term debt outstanding. However, in 2007, the Company elected to leave all long-term debt at a floating rate due to the relatively low level of debt outstanding. As a result, net earnings have little exposure to fluctuating interest rates. Consequently, no debt outstanding at the close of the year carried fixed interest rates. No interest rate swap instruments were entered into during 2007, and none are outstanding as at December 30, 2007.

With respect to foreign exchange risk, the Company's Foreign Exchange Policy requires that between 50 and 80 percent of the Company's net requirement of Canadian dollars for the ensuing 9 to 15 months will be hedged at all times with forward or zero-cost option contracts. Purchases of foreign exchange products for the purpose of speculation are not permitted. Transactions will only be conducted with certain approved financial institutions.

Fluctuations in foreign exchange rates represent a significant exposure for the Company's financial results. Hedging programs employed may mitigate a portion of exposures to short-term fluctuations in foreign currency exchange rates. However, the Company's financial results over the long term will inevitably be affected by significant changes in the value of the Canadian dollar relative to the U.S. dollar. Winpak estimates that each time the exchange rate strengthens or weakens by one Canadian cent against the U.S. dollar, net earnings will decrease or increase, respectively, by approximately one-half of a U.S. cent per share. In addition, while the Company's U.S. dollar monetary liabilities (including long-term debt) in Canada continue to exceed U.S. dollar monetary assets in Canada, a strengthening or weakening in the exchange rate will generate an immediate foreign exchange translation gain or loss, respectively.

During 2007, certain foreign currency forward contracts matured and with the appreciation of the Canadian dollar, the Company realized pre-tax exchange gains of $1.0 million. As at December 30, 2007, the Company had foreign currency forward contracts outstanding of $8.0 million.

The Company monitors the development of a derivatives market based in London, England, which trades in a limited number of resins. To date, Winpak has not participated in this or any other derivatives market for raw materials. Winpak is not aware of any instrument that fully mitigates fluctuations in raw material costs over the long term. Typically, the Company responds to changes in raw material costs by adjusting selling prices, albeit with a time lag. Nevertheless, the combined impact of selling price adjustments and changes in raw material costs can be significant to Winpak's net earnings.

The Company enters into contractual obligations in the normal course of business operations. These obligations, as at December 30, 2007, are summarized below.

Contractual obligations

		Payment due, by period			
	Total	1 year	2 - 3 years	4 - 5 years	After 5 years
Long-term debt	22,000	-	5,000	-	17,000
Operating leases	9,067	2,136	3,684	1,690	1,557
Purchase obligations	2,898	2,898	-	-	-
Total contractual obligations	33,965	5,034	8,684	1,690	18,557

Accounting Policy Changes

As described more fully in Note 4 to the Consolidated Financial Statements, the Company will adopt new accounting standards for financial instruments – presentation and disclosures and capital disclosures effective with the interim and annual periods beginning December 31, 2007. Management does not expect that these standards should have a significant impact on Winpak's financial statements.

Also as more fully described in Note 4 to the Consolidated Financial Statements, the Company will adopt new accounting standards related to inventories and going concern commencing with the 2009 interim and annual reporting periods. While the Company is currently assessing the impact of these new recommendations on its consolidated financial statements, management does not expect the sections to have a significant impact on the Company's financial results.

Looking Forward

Over the past two years, the Company has invested approximately $75 million in property, plant and equipment which included the major projects of adding new capacity in Manitoba for high-barrier films, manufacturing of new shrink film products in Georgia, and a new facility in Illinois and major items of equipment in Illinois and Quebec directed towards strengthening the Company's position in food lidding, custom thermoforming and broadening the offering of health care products. Although these projects were completed in 2007, they were in the start-up phases for a good portion of the year, the result being that sales were minimal but start-up costs high. In 2008, it is reasonable to expect that the development costs related to these projects should be significantly curtailed while sales of the products generated from these projects could increase by as much as $30 to $40 million. Over the ensuing years, the capacity added by these major projects has the potential to add as much as $75 million to 2007 sales levels. As the capital expenditures for 2008 are expected to be significantly reduced by up to a third to a half of 2007 levels, the Company's technical resources will spend less time on project start-ups and a more heightened focus on improving manufacturing performance and efficiencies. Winpak, while not ignoring opportunities for acquisitions that may arise, for the immediate future will focus on identifying internal investment projects and improving operating efficiencies as the best approach for maximizing shareholder value.

Critical Accounting Estimates

The Company believes the following accounting estimates are critical to determining and understanding the operating results and the financial position of the Company.

Allowance for doubtful accounts. The Company estimates allowances for potential losses resulting from the inability of customers to make required payments of accounts receivable. Additional allowances may be required if the financial condition of any customer deteriorates.

Allowance for inventory obsolescence. The Company estimates allowances for potential losses resulting from inventory becoming obsolete and that cannot be processed and/or sold to customers. Additional allowances may be required if the physical condition of inventory deteriorates or customer requirements change.

Impairment of long-lived assets. On an ongoing basis, the Company estimates the useful life of long-lived assets such as plant, equipment and intangible assets. The net carrying value of these assets is determined by providing depreciation and amortization based on the estimated useful life of each asset. The Company periodically reviews these assets for impairment whenever certain events or changes in circumstances indicate that the net carrying value may not be recoverable, based upon future net cash flows directly associated with the use and possible disposal of the asset. The amount of impairment, if any, is measured by deducting the fair value of the asset from its net carrying value and charged to depreciation or amortization expense. Goodwill is reviewed for possible impairment at least annually. Assumptions and estimates used in the determination of possible impairment losses, such as future cash flows, may affect the carrying value of goodwill and require an impairment expense.

Contingencies and litigation. On an ongoing basis, the Company assesses the potential liability regarding any lawsuit or claim brought against the Company. In assessing probable losses, the amount of possible insurance recoveries will be estimated. The Company accrues a liability when a loss becomes probable and the net amount of the loss can reasonably be estimated. Due to the inherent uncertainties relating to the eventual outcome of litigation and potential insurance recovery, certain matters could ultimately be resolved for amounts materially different to provisions or disclosures previously made by the Company.

Pension and other post-retirement benefits. Accounting for defined benefit pensions and other post-retirement benefits requires the use of actuarial assumptions. These assumptions include the discount rate, expected rate of return on plan assets, rate of compensation increase and health care costs. These assumptions depend on underlying factors such as economic conditions, government regulations, investment performance, employee demographics and mortality rates. These assumptions could change in the future and may result in material changes to pension and employment plan expenses. Changes in financial market returns and interest rates may result in changes to the funding requirements of the Company's defined benefit pension plans.

Income taxes. The future income tax assets and liabilities are measured using the income tax rates that are expected to apply upon realization or settlement. They are also determined on the basis of management's best estimate of the period over which they will be realized or settled. Future income tax assets are realized to the extent that the realization of benefits is considered more likely than not. In the event that the actual outcome differs from management's assumptions and estimates, the carrying amounts may be adjusted. Management believes that estimates employed are reasonable and reflect the probable outcome of known tax contingencies.

Disclosure Controls and Internal Controls

Disclosure controls and procedures are those controls and other procedures that are designed to provide reasonable assurance that information required to be disclosed under securities legislation in annual filings, interim filings or other reports is recorded, processed, summarized and reported within the time periods specified by the legislation. They include, without limitation, controls and procedures designed to ensure the information required to be disclosed in these reports is accumulated and communicated to the Company's management, including the President and Chief Executive Officer (CEO) and Vice President and Chief Financial Officer (CFO) to allow timely decisions regarding required disclosure.

The system of disclosure controls and procedures is designed to provide reasonable assurance, not absolute assurance, that all control issues and instances of fraud will be detected. The CEO and CFO are responsible for establishing and maintaining Winpak's disclosure controls and procedures. An evaluation of the design and operation of the Company's disclosure controls and procedures as of the date of this report was conducted under the supervision of the CEO and CFO. The evaluation concluded that the controls and procedures were effective in providing such reasonable assurance.

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements according to Canadian GAAP. An evaluation of the design of Winpak's internal controls was conducted under the supervision of the CEO and CFO. The evaluation concluded that there were no significant weaknesses in the design of Winpak's internal controls. Furthermore, no changes have been made to the Company's internal controls during the last quarter of the year.

Other

Additional information relating to the Company is available on SEDAR at www.sedar.com, including the Annual Information Form dated February 19, 2008.

Management's Report to the Shareholders

The accompanying consolidated financial statements, management's discussion and analysis ("MD&A") and other information in the Annual Report are the responsibility of management. The financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these statements in accordance with Canadian generally accepted accounting principles. The MD&A and financial information contained in this Annual Report are consistent with the financial statements.

To provide reasonable assurance that assets are safeguarded and that relevant and reliable financial information is being reported, management has developed and maintains a system of internal controls. An integral part of the system is the requirement that employees maintain the highest standard of ethics in their activities. Business reviews and internal audits are performed by corporate executives and an internal audit team to evaluate internal controls, systems and procedures.

The Board of Directors, acting through the Audit Committee composed solely of independent directors, is responsible for determining that management fulfills its responsibilities in the preparation of financial statements and MD&A, and in the financial control of operations. The Audit Committee recommends to the shareholders the appointment of the independent auditors. The Audit Committee meets regularly with financial management and the independent auditors to discuss internal controls, auditing matters and financial reporting issues and reports its findings to the Board. The Audit Committee reviews the consolidated financial statements, MD&A and material financial announcements with management and the external auditors prior to submission to the Board for approval.

The consolidated financial statements have been audited on behalf of the shareholders by the independent external auditors, PricewaterhouseCoopers LLP, whose report follows.

B.J. Berry
President and Chief Executive Officer
Winnipeg, Canada
February 19, 2008

Ken Kuchma

K.P. Kuchma
Vice President and Chief Financial Officer
Winnipeg, Canada
February 19, 2008

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of Winpak Ltd. as at December 30, 2007 and December 31, 2006 and the consolidated statements of earnings and retained earnings, comprehensive income, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 30, 2007 and December 31, 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Winnipeg, Canada
February 19, 2008

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

Years ended December 30, 2007 and December 31, 2006
(thousands of US dollars, except per share amounts)

	2007	2006
Sales	466,622	447,120
Cost of sales	356,420	330,294
Gross profit	110,202	116,826
Expenses		
Selling, general & administrative (note 5)	65,313	63,833
Research and technical	9,721	8,911
Pre-production	1,179	869
Gain on sale of assets (note 6)	-	(5,553)
Earnings from operations	33,989	48,766
Interest (note 10)	2,044	2,170
Earnings before income taxes and minority interest	31,945	46,596
Provision for income taxes (note 11)	8,061	13,809
Minority interest	(74)	211
Net earnings	23,958	32,576
Retained earnings, beginning of year	211,139	181,319
Net earnings	23,958	32,576
Dividends declared	(6,627)	(2,756)
Retained earnings, end of year	228,470	211,139
Basic and fully diluted earnings per share (cents)	37	50
Average number of shares outstanding (000's)	65,000	65,000

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 30, 2007 and December 31, 2006
(thousands of US dollars)

	2007	2006
Net earnings	23,958	32,576
Unrealized gains (losses) on translation of financial statements of operations with CDN dollar functional currency to US dollar reporting currency	31,442	(1,911)
Unrealized gains on derivatives designated as cash flow hedges, net of income tax of $376	699	-
Realized gains on derivatives designated as cash flow hedges transferred to net earnings in the current year, net of income tax of $335	(623)	-
Other comprehensive income (loss) - net of income tax (note 14)	31,518	(1,911)
Comprehensive income	55,476	30,665

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

December 30, 2007 and December 31, 2006
(thousands of US dollars)

	2007	2006
Assets		
Current assets:		
Cash	-	2,994
Accounts receivable	57,308	53,656
Income taxes receivable	6,292	1,376
Inventories	74,742	69,469
Prepaid expenses	1,945	1,747
Future income taxes (note 11)	2,702	2,869
	142,989	132,111
Property, plant and equipment (note 7)	263,328	225,113
Other assets (note 8)	10,739	5,105
Intangible assets (note 9)	6,690	8,707
Goodwill (note 9)	17,854	16,336
	441,600	387,372
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness (unsecured)	5,037	-
Accounts payable and accrued liabilities	38,061	42,326
	43,098	42,326
Long-term debt (note 10)	22,000	22,000
Deferred credits	12,603	10,896
Future income taxes (note 11)	28,640	25,781
Postretirement benefits (note 12)	1,596	1,481
	107,937	102,484
Minority interest	11,065	11,139
Shareholders' equity:		
Share capital (note 13)	29,195	29,195
Retained earnings	228,470	211,139
Accumulated other comprehensive income (note 14)	64,933	33,415
	293,403	244,554
	322,598	273,749
	441,600	387,372

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director

Director

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 30, 2007 and December 31, 2006
(thousands of US dollars)

	2007	2006
Cash provided by (used in):		
Operating activities:		
Net earnings	23,958	32,576
Items not involving cash:		
Depreciation	22,121	18,665
Amortization - intangible assets	2,017	2,214
Defined benefit plan costs	3,254	3,715
Future income taxes	(274)	(2,060)
Foreign exchange loss (gain) on long-term debt	328	(395)
Minority interest	(74)	211
Gain on sale of assets (note 6)	-	(5,553)
Other	142	1,121
Cash flow from operating activities before the following	51,472	50,494
Change in working capital:		
Accounts receivable	540	(3,869)
Income taxes receivable	(4,318)	984
Inventories	2,442	6
Prepaid expenses	118	(37)
Accounts payable and accrued liabilities	(7,175)	5,573
Defined benefit plan payments	(7,210)	(4,623)
	35,869	48,528
Investing activities:		
Acquisition of property, plant and equipment	(35,957)	(38,931)
Proceeds from sale of assets (note 6)	-	8,638
	(35,957)	(30,293)
Financing activities:		
Repayments of long-term debt	(17,000)	(17,000)
Proceeds from long-term debt	17,000	-
Dividends paid	(5,471)	(3,416)
	(5,471)	(20,416)
Foreign exchange translation adjustment on cash	(2,472)	233
Change in cash position	(8,031)	(1,948)
Cash, beginning of year	2,994	4,942
(Bank indebtedness) cash, end of year	(5,037)	2,994

<u>Supplemental disclosure of cash flow information:</u>

	2007	2006
Cash paid during the year for:		
Interest expense	3,028	3,268
Income tax expense	9,855	11,862

See accompanying notes to consolidated financial statements.

(thousands of U.S. dollars, unless otherwise indicated)

General:

Winpak Ltd. is incorporated under the Canada Business Corporations Act. The Company manufactures and distributes high-quality packaging materials and innovative packaging machines that are sold in combination with packaging materials. The Company's products are used primarily for the protection of perishable foods, beverages and in health care applications.

1. Basis of presentation:

The consolidated financial statements are expressed in U.S. dollars and prepared in accordance with Canadian generally accepted accounting principles (GAAP).

The fiscal year of the Company ends on the Sunday closest to December 31. As a result, the Company's fiscal year is usually 52 weeks in duration but includes a 53rd week every 5 to 6 years. The 2007 and 2006 fiscal years comprised 52 weeks.

2. Accounting policy changes:

Financial instruments – recognition and measurement, Financial instruments – disclosure and presentation, Hedges, Comprehensive income and Equity
Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) handbook section 3855, Financial instruments – recognition and measurement; section 3861, Financial instruments – disclosure and presentation; section 3865, Hedges; section 1530, Comprehensive income and section 3251, Equity. The adoption of these new standards resulted in changes in the accounting policies for financial instruments and hedge accounting. There was no impact upon net earnings for the years ended December 30, 2007 or December 31, 2006 as a result of these changes.

Upon adoption of the aforementioned sections, the following additional items have been reported in the consolidated financial statements: i) comprehensive income and its components and ii) accumulated other comprehensive income and its components. The comparative prior year consolidated financial statements have not been restated, except for the retroactive restatement of the unrealized foreign exchange gains on the translation of the financial statements of operations with the Canadian dollar as the functional currency to US dollar reporting currency (note 14).

3. Significant accounting policies:

(a) *Principles of consolidation:*
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as well as the majority-owned American Biaxis Inc. All inter-company balances and transactions have been eliminated.

(b) *Revenue recognition:*
Sales are recognized when the risks and rewards of ownership have transferred to the customer, which is generally considered to have occurred as products are shipped. Customer volume rebates and cash discounts are accrued at the time of sale and recorded as a reduction of sales.

(c) *Inventories:*
Inventories are stated at the lower of cost (first-in, first-out method) and net realizable value.

(d) *Property, plant and equipment:*
Property, plant and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, commencing the date the assets are transferred into commercial production, as follows:

Buildings	20 – 40 years	Equipment	4 – 20 years	Packaging machines	3 – 5 years

Property, plant and equipment are reviewed for impairment when certain events or changes in circumstances indicate that the net carrying value may not be recoverable, based upon undiscounted future net cash flows directly associated with the use and possible disposal of the asset. The amount of the impairment, if any, is measured by deducting the fair value of the asset from its net carrying value and is charged to depreciation expense.

(e) *Pre-production costs:*
Pre-production costs relating to installations of major new equipment are expensed in the period in which the costs are incurred.

(f) *Goodwill:*
The excess cost of acquisitions over the underlying value of the net assets, including intangible assets, at the date of acquisition is recorded as goodwill. Goodwill is subject to annual impairment tests and will be written down from carrying value to fair value if a decline in value is considered to have occurred based upon expected discounted cash flows of the respective subsidiary.

(g) *Intangible assets:*
Intangible assets are recorded at the discounted value of future cash flows of the assets at the date of acquisition. Amortization is provided for all intangible assets using the straight-line method over the estimated useful lives of the assets as follows:

Patents	8 – 17 years	Customer related	10 years	Marketing related	5 – 10 years

The carrying values of intangible assets are tested for impairment when events or circumstances indicate that carrying amounts may not be recoverable. When such a situation occurs, the expected undiscounted cash flows over the remaining useful lives of the assets are compared to their carrying values. Intangible assets will be written down to their fair values by a charge to amortization expense if declines in carrying values are identified.

(h) *Research and technical costs:*
Research and technical costs are expensed in the period in which the costs are incurred. Related tax credits are recorded to reduce these costs when it is determined there is reasonable assurance the tax claims will be realized.

(i) *Deferred credits:*
Investment tax credits for plant and equipment are amortized on a straight-line basis over the estimated useful life of the related asset.

(j) *Employee benefit plans:*
The Company maintains six funded non-contributory defined benefit pension plans in Canada and the U.S. and one funded non-contributory supplementary income postretirement plan for certain Canadian-based executives. A market discount rate is used to measure the benefit obligations. The expected return on pension plan assets is calculated on the fair value of the assets as of the year-end date. The cost of these non-contributory defined benefit pension plans is actuarially determined using the projected benefits method prorated on years of employee service, final average salary levels during specified years of employment, retirement ages of employees and other actuarial factors, together with the expected rate of return on pension plan assets. Current service costs, interest costs on the benefit obligation, curtailment and settlement costs are charged to earnings as they accrue. Past service costs, plan amendments, changes in assumptions, the net transitional asset amount and the cumulative unrecognized net actuarial gains and losses in excess of 10% of the greater of the benefit obligation or the fair value of plan assets are amortized to earnings on a straight-line basis over the expected average remaining service lives (10-20 years) of active plan members. The Company's funding policy is in compliance with statutory regulations and amounts funded are deductible for income tax purposes.

One of the Company's subsidiaries maintains one unfunded contributory defined benefit postretirement plan for health care benefits for a limited group of U.S. individuals. A market discount rate is used to measure the benefit obligation. The cost of the plan is actuarially determined using the per capita claims cost method. Interest costs on the benefit obligation are charged to earnings as they accrue. Past service costs, plan amendments, changes in assumptions and the cumulative unrecognized net actuarial gains and losses are amortized to earnings on a straight-line basis over the expected average future lifetime (11 years) of the retirees.

The Company maintains seven defined contribution pension plans in Canada and the U.S. The pension expense for these plans is the annual funding contribution by the Company.

(k) *Income taxes:*

The Company uses the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are recognized for the future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply when the asset is realized or the liability is settled. The effect of changes in income tax rates is recognized in the period in which the rate-change is considered substantively enacted. When necessary, a valuation allowance is recorded to reduce future income tax assets to an amount that is more likely than not to be realized.

(l) *Foreign currency translation:*

Operations with the Canadian dollar as the functional currency are translated using the current rate method under which the assets and liabilities are translated into U.S. dollars at the year-end exchange rate. Sales, costs and expenses are translated at the average rate for the year. The unrealized exchange gains or losses on the net investment in these operations are deferred and included in the accumulated other comprehensive income account in shareholders' equity. The net assets of the U.S. dollar functional currency operations do not qualify as a hedge against the U.S. dollar long-term debt held in Canada. Accordingly, foreign exchange adjustments arising on translation of this debt are included in net earnings.

(m) *Financial instruments:*

The Company initially recognizes all financial assets and liabilities and non-financial derivatives at fair value unless exempted from derivative treatment. Subsequently, financial assets are measured at either amortized cost or fair value depending on the type of instrument and any optional designations by the Company. Financial liabilities are subsequently measured at amortized cost, or at fair value if they are classified as held for trading purposes. Derivative financial instruments are measured at fair value, even when they are part of a hedging relationship. All changes in fair value are recorded in earnings unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

Under certain conditions, derivatives that are embedded within host financial and non-financial contracts must be separated from the host contract and accounted for separately at fair value. The Company performed a search for embedded derivatives in all contracts entered into after January 1, 2003, its selected transition date, and has determined that all of its embedded derivatives are exempt from fair value accounting.

(n) *Hedge accounting:*

At the inception of a hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, which includes linking all derivatives to specific assets and liabilities or to specific firm commitments or forecasted transactions. The Company operates principally in Canada and the United States, which gives rise to risks that its earnings and cash flows may be adversely impacted by fluctuations in foreign exchange rates. The Company enters into foreign currency forward contracts to hedge certain foreign exchange exposures on anticipated sales.

Hedges must be designated as either fair value or cash flow hedges or as a hedge of a net investment in an operation with the Canadian dollar as the functional currency. For a fair value hedge, the gain or loss on the hedging item is recognized in earnings in the period of change together with the offsetting change attributable to the hedged risk. For a cash flow hedge, as well as a hedge of a net investment in an operation with the Canadian dollar as the functional currency, the effective portion of the gain or loss on the hedging item is initially recorded in other comprehensive income and subsequently recognized in earnings (recorded within selling, general & administrative expenses) when the hedged item affects earnings. The ineffective portion of the gain or loss is immediately recognized in earnings.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income as long as the forecasted transaction may occur and would be recognized in the consolidated statement of earnings in the period the hedged transaction impacts earnings. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the consolidated statement of earnings.

(o) Comprehensive income:

Comprehensive income is comprised of net earnings and other comprehensive income – net of income tax and is disclosed by the Company in the consolidated statement of comprehensive income. Comprehensive income is the change in a Company's net assets resulting from transactions or events from sources other than the Company's shareholders. Other comprehensive income includes: i) unrealized foreign exchange gains or losses on translation of the financial statements of operations with the Canadian dollar as the functional currency to US dollar reporting currency, ii) unrealized gains or losses on the effective portion of derivatives designated as cash flow hedges, net of income tax, and iii) realized gains or losses on derivatives designated as cash flow hedges when the hedged item affects earnings, net of income tax.

(p) Stock-based compensation plan:

The Company maintains a stock-based compensation plan, which provides stock appreciation rights under the President's Incentive Plan. Rights under the plan vest immediately, and are paid in cash during the first quarter of the fourth year after the date of grant based upon the quoted market value of the common shares of the Company on the day prior to the date of payment. Compensation cost is recognized for the value of the rights granted in each year, based on the market value of the common shares of the Company on the date of grant, and is adjusted annually for the change in market value of unexercised rights granted in prior years. Compensation cost recorded for the year under the Plan was $20 (2006 - $470).

(q) Risk management:

The Company manages risk and risk exposures through a combination of insurance, derivative financial instruments, a system of internal and disclosure controls and sound business practices. The Company may use certain derivative financial instruments to manage risks of fluctuations in interest rates and foreign exchange rates. The Company may enter into interest rate swap agreements in order to limit exposure to increases in interest rates and fix interest rates on certain portions of long-term debt. The Company may enter into foreign currency forward and option (floor and cap) contracts to limit exposure on certain anticipated future U.S. dollar cash flows in Canadian dollar functional currency operations. Credit risk associated with these derivative financial instruments arises from the possibility that counterparties may default on their obligations. The Company minimizes this risk by entering into agreements and contracts with major Canadian chartered banks.

The Company is exposed to credit risk from its customers primarily in relation to accounts receivable. This risk is minimized by the Company's diverse customer base. The Company regularly performs credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

(r) Use of estimates:

The preparation of financial statements in accordance with GAAP requires management to make estimates including: the estimated useful lives of various assets, assumptions that affect the reported amounts of certain assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of certain sales, costs and expenses during the year. Actual results could differ from these estimates.

4. Future accounting standards:

The CICA has issued three handbook sections, which apply commencing with the Company's 2008 interim and annual consolidated financial statements. The Company is currently evaluating the impact of these standards on the consolidated financial statements. Management does not expect the sections to have a significant impact on the Company's financial results.

Financial instruments – disclosures:

Section 3862 describes the required disclosures related to the significance of financial instruments on the Company's financial position and performance and the nature and extent of risks arising for financial instruments to which the entity is exposed and how the entity manages those risks. This section complements existing handbook section 3855, Financial instruments – recognition and measurement, section 3863, Financial instruments – presentation and section 3865, Hedges.

Financial instruments – presentation:

Section 3863 describes standards for presentation of financial instruments and non-financial derivatives and carries forward, unchanged, the presentation requirements of section 3861, Financial instruments – disclosure and presentation.

Capital disclosures:
Section 1535 establishes standards for disclosing information about a Company's capital and how it is managed to enable users of financial statements to evaluate the Company's objectives, policies and procedures for managing capital.

The CICA has issued the following two handbook sections, which apply commencing with the Company's 2009 interim and annual consolidated financial statements. While the Company is currently assessing the impact of these new recommendations on its consolidated financial statements, management does not expect the sections to have a significant impact on the Company's financial results.

Inventories:
Section 3031 establishes standards on the determination of the cost components of inventory including all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The section requires inventory to be measured at the lower of cost and net realizable value including a possible reversal of an original write-down to net realizable value. The section also establishes expanded financial statement disclosure and presentation standards for the carrying amounts of inventories and classifications appropriate to the Company.

Going concern:
Section 1400, General standards of financial statement presentation, has been amended to include going concern requirements. The amendments require management to make an assessment of the Company's ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

5. Selling, general and administrative:

Included within selling, general and administrative expenses are the following amounts:

	2007	2006
Foreign exchange translation (gain) loss	**(1,504)**	27
Defined benefit plan costs (note 12)	**3,254**	3,715

Foreign exchange translation amounts represent the realized and unrealized foreign exchange differences recognized upon translation of monetary assets and liabilities, including long-term debt. The 2007 amount includes the realized foreign exchange gains (losses) on cash flow hedges arising from transfers of these amounts from other comprehensive income to net earnings.

6. Sale of property, related assets and associated costs:

In June 2006, the Company sold the premises formerly occupied by the converting operating unit on Laird Drive, Toronto, Ontario. Net cash proceeds for the premises of $8,638 generated a pre-tax gain of $5,553 and net earnings of $4,329. In 2005, the Company ceased normal operations at the aforementioned premises. Consequently, in 2005 the Company incurred employee termination and pension plan curtailment and settlement costs. The Company made employee termination payments totaling $795 during 2007, leaving a liability of $116, which will be paid by the end of the first half of 2008. The pension plan curtailment and settlement cost liability of $1,077 should be paid during the first half of fiscal 2008 after final settlement amounts have been agreed upon with the former employees.

7. Property, plant and equipment:

	2007 Cost	**Accumulated depreciation**	**2007 Net**	2006 Cost	Accumulated depreciation	2006 Net
Land	**2,943**	**-**	**2,943**	2,741	-	2,741
Buildings	**86,405**	**17,916**	**68,489**	65,144	13,807	51,337
Equipment	**346,835**	**163,373**	**183,462**	274,090	131,696	142,394
Packaging machines	**35,129**	**31,146**	**3,983**	35,763	31,050	4,713
Expansions in progress	**4,451**	**-**	**4,451**	23,928	-	23,928
	475,763	**212,435**	**263,328**	401,666	176,553	225,113

8. Other assets:

	2007	2006
Defined benefit pension plans (note 12)	**5,998**	1,089
Other postretirement benefits (note 12)	**2,629**	2,204
Income tax credits recoverable	**2,112**	1,812
	10,739	5,105

One of the Company's subsidiaries has income tax credits recoverable which are available to reduce provincial income taxes payable in the future. These income tax credits expire if not utilized by 2014, 2015, 2016 and 2017 in the amounts of $1,935, $82, $79 and $16 respectively.

9. Intangible assets and goodwill:

Intangible assets:

	2007 Cost	Accumulated amortization	2007 Net	2006 Cost	Accumulated amortization	2006 Net
Patents	**4,013**	**3,638**	**375**	4,013	3,427	586
Customer related	**11,115**	**5,960**	**5,155**	11,115	4,808	6,307
Marketing related	**2,584**	**1,424**	**1,160**	4,976	3,162	1,814
	17,712	**11,022**	**6,690**	20,104	11,397	8,707

Goodwill: As at December 30, 2007 and December 31, 2006, the Company performed impairment tests on remaining goodwill balances and concluded that no provision for impairment was required. The difference in the carrying value of goodwill year-over-year relates to the change in foreign exchange rates.

10. Long-term debt:

Committed loan facilities with a Canadian bank available to the Company and a subsidiary consist of: (a) unsecured $30,000 (2006 – $35,000) revolving term facility which, at the option of the lender, is extendible annually or if not extended would be converted into a five-year, revolving reducing term facility for any non-extended portion; and (b) $5,000 (2006 - $7,000) reducing term facility, secured by a general security agreement on the subsidiary's assets, to be fully repaid by July 31, 2009.

As at December 30, 2007, $17,000 (2006 - $17,000) of the five-year revolving facility was utilized and $5,000 (2006 - $5,000) of the two-year reducing term facility was utilized. The interest rates on the bank long-term debt are floating at the London Inter-Bank Offering Rate (LIBOR) plus 0.50% on the unsecured $30,000 facility and LIBOR plus 5.125% on the secured $5,000 facility.

Interest is comprised of the following:

	2007	2006
Interest on long-term debt	**1,298**	1,945
Interest on bank indebtedness	**1,472**	945
Interest income	**(726)**	(720)
	2,044	2,170

The effective average interest rate on long-term debt was 5.91% (2006 – 5.92%).

The required principal repayment of long-term debt in the next five years is $5,000 in 2009.

11. Provision for income taxes:

	2007	2006
Current	8,335	15,869
Future	(274)	(2,060)
Total provision for income taxes	8,061	13,809

	2007	2006
Combined Canadian federal and provincial income tax rate	34.0%	34.2%
United States income taxed at higher than combined Canadian tax rates	0.8	0.4
Change in substantively enacted Canadian federal/provincial income tax rates	(8.6)	(3.2)
Non taxable items:		
Foreign exchange gains	(0.7)	(0.3)
Gain on sale of assets	-	(1.7)
Permanent differences and other	(0.3)	0.2
Effective income tax rate	25.2%	29.6%

Temporary differences that give rise to future income tax assets and liabilities are as follows:

	2007	2006
Future income tax assets:		
Reserves and accrued liabilities	2,702	2,869
Future income tax liabilities:		
Plant and equipment	27,239	26,159
Accrued pension asset	2,454	922
Long-term debt	233	14
Postretirement benefits	(582)	(552)
Intangible assets and goodwill	(704)	(762)
	28,640	25,781

12. Employee benefit plans:

The Company maintains six funded non-contributory defined benefit pension plans, one funded non-contributory supplementary income postretirement plan for certain Canadian-based executives, one unfunded contributory defined benefit postretirement plan for health care benefits for a limited group of U.S. individuals and seven defined contribution pension plans.

Subsequent to January 1, 2005, all defined benefit pension plans were frozen and all new employees are required to participate in defined contribution plans upon satisfaction of certain eligibility requirements.

As a result of closing the facility on Laird Drive, Toronto, Ontario in 2005, the Company is in the process of winding up a defined benefit pension plan and partially winding up another defined benefit pension plan (note 6). It is expected that the Company will be making the required final cash funding amounts in regards to both of these plans in the first half of the 2008 fiscal year.

Defined benefit plans

The Company measures the accrued benefit obligations and fair value of assets for the defined benefit pension plans as of the year-end date. The most recent actuarial valuations for funding purposes for the various plans were completed as at the following dates: January 1, 2007 for two plans, October 31, 2005 for one plan, June, 2005 for one plan and December 31, 2004 for two plans. The next required actuarial valuations are three years from the aforementioned dates. The most recent actuarial valuations for funding purposes for the supplementary income postretirement plan and the postretirement plan for health care benefits were dated January 1, 2006. The next required actuarial valuations are three years from the aforementioned date.

Total amounts paid by the Company on account of all employee benefit plans, consisting of: defined benefit pension plans, supplementary income postretirement plan, direct payments to beneficiaries for the unfunded postretirement plan and defined contribution plans, amounted to $9,340 (2006 - $6,477).

The following presents the financial position of the Company's defined benefit pension plans and other postretirement benefits, which include the supplementary income plan and the postretirement plan for health care benefits:

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2007	2006	**2007**	2006
Change in benefit obligation				
Benefit obligation, beginning of year	**46,384**	43,149	**7,275**	6,656
Current service cost	**2,575**	2,456	**147**	141
Interest cost	**2,673**	2,378	**412**	347
Prior service cost	**-**	-	**-**	488
Actuarial (gain) loss	**(4,303)**	103	**(712)**	(78)
Benefits paid	**(1,277)**	(1,375)	**(164)**	(208)
Foreign exchange	**6,041**	(327)	**1,076**	(71)
Benefit obligation, end of year	**52,093**	46,384	**8,034**	7,275
Change in plan assets				
Fair value of plan assets, beginning of year	**36,528**	31,737	**5,279**	3,092
Actual return on plan assets	**(169)**	4,079	**(125)**	282
Employer contributions	**6,702**	2,410	**508**	2,213
Benefits paid	**(1,277)**	(1,375)	**(164)**	(208)
Foreign exchange	**5,482**	(323)	**1,099**	(100)
Fair value of plan assets, end of year	**47,266**	36,528	**6,597**	5,279
Funded status				
Plan assets less than benefit obligation	**(5,236)**	(10,131)	**(1,437)**	(1,996)
Plan assets greater than benefit obligation	**409**	275	**-**	-
Net plan assets less than benefit obligation	**(4,827)**	(9,856)	**(1,437)**	(1,996)
Unrecognized net transition amount	**(992)**	(1,015)	**-**	-
Unrecognized prior service cost	**550**	599	**2,229**	2,133
Unamortized actuarial loss	**11,267**	11,361	**241**	586
Accrued asset	**5,998**	1,089	**1,033**	723
Amounts recognized in the consolidated balance sheet				
Accrued asset	**5,998**	3,302	**2,629**	2,204
Accrued liability	**-**	(2,213)	**(1,596)**	(1,481)
Accrued asset	**5,998**	1,089	**1,033**	723
Benefit plans with fair value of plan assets less than benefit obligation				
Fair value of plan assets	**43,648**	33,363	**6,597**	5,279
Benefit obligation	**(48,884)**	(43,494)	**(8,034)**	(7,275)
Plan assets less than benefit obligation, end of year	**(5,236)**	(10,131)	**(1,437)**	(1,996)

Plan assets

The following represents the weighted average allocation of plan assets:

Asset category				
Equity securities	**63%**	59%	**32%**	30%
Debt securities	**37%**	38%	**18%**	19%
Cash	**0%**	3%	**50%**	51%
Total	**100%**	100%	**100%**	100%

The following presents the net benefit plan cost of the Company's defined benefit pension plans and other postretirement benefits, which include the supplementary income plan and postretirement plan for health care benefits:

	Defined Benefit Pension Plans		Other Postretirement Benefits	
	2007	2006	**2007**	2006
Net benefit plan cost				
Current service cost	**2,575**	2,456	**147**	141
Interest cost on accrued benefit obligation	**2,673**	2,378	**412**	347
Actual loss (gain) on plan assets	**169**	(4,079)	**125**	(282)
Actuarial (gain) loss on accrued benefit obligation	**(4,303)**	103	**(712)**	(78)
Prior service cost	**-**	-	**-**	488
Benefit plans cost before adjustments to recognize the long-term nature of benefit plans	**1,114**	858	**(28)**	616
Excess of actual over expected return on plan assets	**(3,098)**	1,774	**(322)**	163
Deferral of amounts arising during the year:				
Actuarial gain (loss) on accrued benefit obligation	**4,303**	(103)	**712**	78
Prior service cost	**-**	-	**-**	(488)
Amortization of previously deferred amounts:				
Transitional asset	**(199)**	(190)	**-**	-
Prior service cost	**431**	610	**264**	254
Net actuarial loss	**71**	74	**6**	69
Adjustments to recognize the long-term nature of benefit plans	**1,508**	2,165	**660**	76
Net benefit plan cost	**2,622**	3,023	**632**	692

Significant assumptions

The following weighted averages were used:

	Defined Benefit Pension Plans 2007	Defined Benefit Pension Plans 2006	Other Postretirement Benefits 2007	Other Postretirement Benefits 2006
Accrued benefit obligations as of the year-end date:				
Discount rate	**5.8%**	5.4%	**5.7%**	5.4%
Rate of compensation increase	**4.2%**	4.2%	**-**	-
Net benefit plan cost for the year:				
Discount rate	**5.4%**	5.3%	**5.4%**	5.3%
Expected return on plan assets	**7.3%**	7.2%	**3.6%**	3.5%
Rate of compensation increase	**4.2%**	4.2%	**-**	-

The defined benefit pension plans do not invest in the shares of the Company. The expected rate of return on the plan assets is based on historical and projected rates of return for each asset category measured over a four-year time period. The objective of the asset allocation policy is to manage the funded status of the plans at an appropriate level of risk, giving consideration to the security of the assets and the potential volatility of market returns. The long-term rate of return is targeted to exceed the return indicated by a benchmark portfolio by at least 1% annually.

The postretirement benefit plan assumed health care cost trend rate is 9% with the rate declining to 5% by 2013 and remaining consistent thereafter to 2015. A one-percentage point change in the assumed health care cost trend rate would affect the net benefit plan cost by approximately $6 and the accrued benefit obligation by $96.

Defined contribution pension plans

The Company maintains four defined contribution plans for certain employees in Canada and three savings retirement plans (401(k) Plans) for certain employees in the United States. The Company's total expense for these plans was $2,166 (2006 - $1,853).

13. Share capital:

Authorized:	Issued and fully paid:
Unlimited voting common shares	65,000,000 voting common shares

The Company has no stock option plans in place.

14. Accumulated other comprehensive income:

The accumulated other comprehensive income account represents the net changes due to foreign exchange rate fluctuations in the net investment in the Canadian dollar functional currency operations and the unrealized gains (losses) on derivatives designated as cash flow hedges.

	2007	2006
Balance, beginning of year, as previously reported	**-**	-
Unrealized gains on translation of financial statements of operations with Canadian dollar functional currency to US dollar reporting currency	**33,415**	35,326
Restated balance, beginning of period	**33,415**	35,326
Other comprehensive income (loss)	**31,518**	(1,911)
Balance, end of year	**64,933**	33,415

The accumulated balances for each component of other comprehensive income, net of income taxes, are comprised of the following:

	2007	2006
Unrealized gains on translation of financial statements of operations with Canadian dollar functional currency to US dollar reporting currency	**64,857**	33,415
Unrealized gains on derivatives designated as cash flow hedges	**76**	-
Balance, end of year	**64,933**	33,415

15. Financial instruments:

The following table presents the carrying value and fair value of the Company's financial instruments and non-financial derivatives:

	(Carried at Cost/Amortized Cost)		(Carried at Fair Value)
Assets (Liabilities)	Carrying Value	Fair Value	Carrying Value
Accounts receivable	57,191	57,191	
Cash flow hedging derivative			117
Bank indebtedness	(5,037)	(5,037)	
Accounts payable and accrued liabilities	(38,061)	(38,061)	
Long-term debt	(22,000)	(22,000)	

Fair value is based on quoted market prices when available. However, when financial instruments lack an available trading market, fair value is determined using management's estimates and is calculated using market factors with similar characteristics and risk profiles. These amounts represent point-in-time estimates and may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of judgment.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments:

a) The carrying amounts recorded for cash, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximates fair value due to the immediate or short-term maturities of these financial instruments.
b) The carrying value of long-term debt approximates fair value primarily because the interest rate is variable and reflects the current market rate available to the Company.
c) Derivatives are valued based on closing market quotations from financial institutions.

At December 30, 2007 the Company had $8,000 (2006 - $0) outstanding in foreign currency forward contracts.

16. Segmented information:

The Company operates in one reportable segment being the manufacture and sale of packaging materials. The Company operates principally in Canada and the United States.

The following summary presents key information by geographic segment:

	United States		Canada		Other		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Sales	**352,596**	339,535	**95,727**	92,451	**18,299**	15,134	**466,622**	447,120
Property, plant and equipment	**88,352**	72,024	**174,976**	153,089	**-**	-	**263,328**	225,113
Intangible assets	**6,690**	8,707	**-**	-	**-**	-	**6,690**	8,707
Goodwill	**8,485**	8,485	**9,369**	7,851	**-**	-	**17,854**	16,336

17. Commitments and guarantees:

Commitments:
The Company has commitments, including irrevocable standby letters of credit, if any, of $2,898 (2006 – $7,930) with respect to equipment purchases.

The Company rents premises and equipment under operating leases that expire at various dates until April 30, 2015. The aggregate minimum rentals payable for these leases are as follows:

Year	2008	2009	2010	2011	2012	Thereafter	Total
Amount $	2,136	1,953	1,731	959	731	1,557	9,067

Guarantees:
Directors and officers:
The Company and its subsidiaries have entered into indemnification agreements with their respective directors and officers to indemnify them, to the extent permitted by law, against any and all amounts paid in settlement and damages incurred by the directors and officers as a result of any lawsuit, or any judicial, administrative or investigative proceeding involving the directors and officers. Indemnification claims will be subject to any statutory or other legal limitation period. The Company has purchased directors' and officers' liability insurance to mitigate losses from any such claims.

Leased real property:
The Company and its subsidiaries enter into operating leases in the ordinary course of business for real property. In certain instances, the Company and its subsidiaries have indemnified the landlord from any obligations that may arise from any occurrences of personal bodily injury, loss of life and property damages. The Company's property and liability insurance coverage mitigates losses from any such claims.

Pension plan:
The Company has indemnified the Manitoba Pension Commission from any and all claims that may be made by any beneficiary under a certain defined benefit pension plan. The indemnity relates to the transfer of a portion of the surplus in the respective pension plan to a non-contributory supplementary income plan.

Given the nature of the aforementioned indemnification agreements, the Company is unable to reasonably estimate its maximum potential liability under these agreements. The Company believes the likelihood of a material payment pursuant to these indemnification agreements is remote. No amounts have been recorded in the consolidated financial statements with respect to these indemnification agreements.

18. Related party transactions:

The Company had purchases of $483 (2006 - $234) with its majority shareholder company. Accounts receivable and accounts payable include amounts of $7 (2006 - $11) and $28 (2006 - $0) respectively with the majority shareholder company. These transactions were completed at market values with normal payment terms.

19. Contingencies

Legal matters:
In the normal course of business activities, the Company may be subject to various legal actions. Management contests these actions and believes resolution of the actions will not have a material adverse impact on the Company's financial condition.

20. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.

CORPORATE INFORMATION

Board of Directors

Chairman, A. Aarnio-Wihuri (2), Helsinki, Finland; Chairman, Wihuri Oy
Vice Chairman, A.E. Lindroos (1), Helsinki, Finland
J.M. Hellgren, Helsinki, Finland; President and Chief Executive Officer, Wihuri Oy
T.P. Fagernas (2), Helsinki, Finland
J.R. Lavery (2), Winnipeg, Canada
D.R.W. Chatterley, (1), Winnipeg, Canada
J.S. Pollard (1), Winnipeg, Canada; Co-Chief Executive Officer, Pollard Banknote Limited

(1) Member of the Audit Committee
(2) Member of the Compensation, Governance and Nominating Committee

Executive Committee

The Executive Committee, in consultation with the Board of Directors, establishes the objectives and the long-term direction of the Company. The Committee meets regularly throughout the year to review progress towards achievement of the Company's goals and to implement policies and procedures directed at optimizing performance.

B.J. Berry, President and Chief Executive Officer, Winpak Ltd.
K.M. Byers, President, Winpak Films Inc.
D.A. Johns, President, Winpak Division, a division of Winpak Ltd.
T.L. Johnson, Vice President and General Manager, Winpak Heat Seal Packaging Inc.
K.P. Kuchma, Vice President and Chief Financial Officer, Winpak Ltd.
J.R. McMacken, Vice President and General Manager, Winpak Portion Packaging, Inc.
N.L. Rozek, Vice President, Technology, Winpak Ltd.
T.R. Torrens, President, Winpak Lane, Inc.

Auditors

PricewaterhouseCoopers LLP, Winnipeg, Canada

Legal Counsel

Thompson Dorfman Sweatman LLP, Winnipeg, Canada
Jones Day, Atlanta, U.S.A.

Annual Meeting

The Annual Meeting of Shareholders will be held on Monday, April 21, 2008 at 4:30 p.m.
at The Fort Garry, Winnipeg, Canada

Listing

Winpak Ltd. shares are listed WPK on the Toronto Stock Exchange

Transfer Agent

Computershare Investor Services Inc.

Annual Information Form

The most recent version of the Annual Information Form for Winpak Ltd.
is available by contacting Winpak's Corporate Office, info@winpak.com
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